

BOARD MEETING DATE: May 3, 2013

AGENDA NO. 26

PROPOSAL: Adopt Executive Officer's FY 2013-14 SCAQMD Budget and Work Program and CPI Fee Adjustment and Revise Board Member Assistant and Board Member Consultant Policy

SYNOPSIS: The Executive Officer's Budget for FY 2013-14 represents the input over the past several months from Board members, staff, and the public. This year's process included meetings of the Budget Advisory Committee; a public hearing on March 1, 2013 to receive input on the SCAQMD's Goals and Priority Objectives; and two budget workshops, one for the Board held on March 14, 2013 and one for the public held on April 10, 2013. This submittal transmits the required appropriations and reserves necessary to adopt the proposed budget and revises the Board Member Assistant and Board Member Consultant Policy. The proposed budget incorporates the CPI adjustment pursuant to Rule 320.

COMMITTEE: Administrative, April 12, 2013; Recommended for Approval

RECOMMENDED ACTIONS:

1. Remove from Reserves and Designations all amounts associated with the FY 2012-13 Budget;
2. Approve appropriations in the Major Objects for:

Salary and Employee Benefits	\$103,992,299
Services and Supplies	23,673,129
Capital Outlays	<u>1,537,500</u>
Total	<u>\$129,202,928</u>

3. Approve a projected June 30, 2014 Fund Balance of the following:

Reserve for Encumbrances	\$6,877,000
Reserve for Inventory of Supplies	80,000
Designated for Permit Streamlining	288,385
Designated for Enhanced Compliance Activities	883,018
Designated for Facility Refurbishing	578,289
Designated for Self-Insurance	2,000,000
Designated for Litigation/Enforcement	1,600,000
Designated for Retirement Actuarial Increases	3,812,463
Designated for Unemployment Claims	80,000
Designated for Budget Stabilization	1,481,502
Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496
Total	\$20,633,153
Undesignated:	15,586,988

4. Approve revenues from the following:

2012-13 Revenues	<u>\$129,202,928</u>
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5. Approve the addition of 1 authorized/funded position and deletion of 2 positions as detailed in the Draft Budget.
6. Amend the Board Member Assistant and Board Member Consultant Policy as set forth in Attachment A.

Barry R. Wallerstein, D.Env.  
Executive Officer

MBO:lg

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## **Background**

The Executive Officer's Budget for FY 2013-14 represents the input over the past several months from staff, Board members, and the public. This year's process included meetings with the Budget Advisory Committee; a public hearing held on March 1, 2013 to take input on the SCAQMD's FY 2013-14 Goals and Priority Objectives; and two budget workshops, one held for the Governing Board on March 14, 2013 and one held for the public on April 10, 2013.

This year's budget proposal includes 797 positions, which is 31% (366 FTEs) below FY 1991-92 levels, and program expenditures which reflect a \$4,243,902 decrease from the FY 2012-13 adopted budget. Using inflation adjusted dollars, this year's proposed expenditures are 35% less than the budget approved in FY 1991-92.

The current Board Member Assistant and Board Member Consultant Policy (Policy) provides for compensation and payment for business-related expenses for Board Assistants and Consultants. The Policy specifically provides a maximum amount of \$37,707 per fiscal year, per Board Member (except the Chair, Vice-Chair, and CARB Representative), for Board Assistant/Consultant support.

## **Proposal**

This balanced budget request is based on the goals and priority objectives presented to the Board at the March 1, 2013 meeting.

Staff is proposing the addition of one position in Information Management. Additionally, two positions are being deleted as part of the Legal Department reorganization that was presented to the Board on March 15, 2013. In Services and Supplies, the proposal for FY 2013-14 is \$8,435,478 (35%) below the FY 2012-13 amended budget. Capital Outlays are decreasing by over \$2,544,821 (166%) from the FY 2012-13 amended budget, mainly due to a large number of building maintenance projects that were planned in FY 2012-13. The proposed FY 2013-14 Budget represents a decrease of \$4,243,272 in total expenditures from the budget adopted by the Board in May 2012.

In addition, the proposed amendment to the Board Member Assistant and Board Member Consultant Policy provides the Vice-Chair of the Governing Board with Board Assistant/Consultant support equal to that of the Chair of the Governing Board to address the additional responsibilities associated with the position.

## **Resource Impacts**

The FY 2013-14 Budget assumes a 2.0% fee increase, consistent with Rule 320 which was adopted by the Board on October 29, 2010 and allows for an increase of fees based on the change in the California Consumer Price Index. The cost associated with the amendment to the Board Member Assistant and Board Member Consultant Policy is included in the FY 2013-14 budget. In accordance with Rule 320, the Draft

Socioeconomic Assessment for Automatic Consumer Price Index (CPI) Increase was made available to the public on March 13, 2013 and public comments and responses, along with recommendations by the Budget Advisory Committee, were provided to the Board by the April 15 deadline.

Copies of the proposed budget have been transmitted to the Board under separate cover. Copies for public review have been available in the SCAQMD Library since mid-April. The Draft Budget and Work Program are available via SCAQMD's web site at <http://www.aqmd.gov/finn/PDF/drftbdgt13-14.pdf>. Budget abstracts are available by request from the Public Information Center (909) 396-3600.

**Attachment**

- A. Board Member Assistant and Board Member Consultant Policy, with proposed amendments in strikeout-and-underline format

## ATTACHMENT A – PROPOSED REVISED

### BOARD MEMBER ASSISTANT AND BOARD MEMBER CONSULTANT POLICY

1. That an employee classification of Board Member Assistant be established, with the following scope of duties, minimum requirements, and compensation rates:

Scope of Duties: performs for Board Member a variety of tasks ranging from liaison with constituent public entities, other Board Members, the public, and District staff related to clerical functions. Typical functions may include preparing narrative and statistical reports, preparing correspondence, filing and maintaining records, arranging meetings and other group functions; monitoring various programs and projects; responding to inquiries from constituent public entities, District Board Members, the public, and District staff.

Minimum requirements: evidence of the required training and experience shall be demonstrated by coursework in business administration or a related field, and/or sufficient experience performing data analysis and adjunct clerical functions for which familiarity with personal computers is desirable.

Maximum compensation rate: up to \$30.44 per hour, and as revised by the Governing Board.

2. That an employee classification of Board Member Consultant be established, with the following scope of duties, minimum requirements, and compensation rates:

Scope of Duties: performs for Board Member a variety of professional-level assignments in the development and formulation of policy, data analysis, reports, plans, assessments, and strategies for District programs; provides advice and recommendations to the Board Member regarding matters subject to the Board Member's decision-making authority; may provide liaison with the public on behalf of the Board Member. Typical functions may include planning, organizing, and developing a wide variety of programs on the Board Member's behalf and evaluating the effectiveness of various approaches.

Minimum requirements: evidence of the required training and experience shall be demonstrated by graduation from an accredited college or university preferably with a major in an academic discipline related to the assignment and/or sufficient experience involving technical or analytical work at a professional level which would demonstrate the required knowledge, skills, and abilities related to the assignment.

Maximum compensation rate: up to \$54.80 per hour, and as revised by the Governing Board, except for the Board Chair's Assistant/Consultant.

3. That class specifications of Board Member Assistant and Board Member Consultant be added to the District's Classification Plan at that maximum compensation rate and with the scope of duties and minimum requirements specified above.

4. That Board Member Consultants may be engaged as either independent contractors or exempt SCAQMD contract employees and that Board Member Assistants may only be employed as SCAQMD contract employees.
5. That the Contracts for Board Member Consultants engaged as independent contractors shall specify that they shall not, during the term of their employment, engage in any performance of work that is in direct or indirect conflict with duties and responsibilities for the District, and that their contracts shall contain a provision so stating. Contracts for Board Consultants and Assistants engaged as contract employees shall be subject to Section 40 of the District's Administrative Code—Code of Ethics, except that they shall adhere to the work rules and performance standards established by the Board Member to whom they report.
6. That a Board Member wishing to engage the services of a person to provide assistance shall submit to the Administrative Committee a Proposal identifying the person and setting forth his or her qualifications, scope of duties, and proposed compensation. The proposal shall include a listing of other employment and/or clients sufficient to determine whether the person has existing work that conflicts directly or indirectly with his or her duties and responsibilities for the District. The Administrative Committee shall review the Proposal and determine if the proposed compensation rate is consistent with the required qualifications described above and shall, with advice of District Counsel, make a case-by-case determination of whether a person proposed to provide assistance complies with the conflict-of-interest requirements of this Policy and is a Board Member Assistant or a Board Member Consultant. If the determination is made that the person is a Board Member Consultant, the Administrative Committee also shall determine whether the Board Member consultant be classified as an employee or an independent contractor. All Board Member Assistants shall be contract employees. Board Member Assistants, and Board Member Consultants who are District employees, are exempt from the District's Salary Resolution, Personnel Rules, and Administrative Code, except as specifically referenced in the said documents, this policy, or in his/her contract with the District.
7. That the position of Board Member Consultant (whether District employee or independent contractor) and Board Member Assistant be noticed for designation in the District's Conflict of Interest Code listing classifications subject to the Code and the incumbent must disclose economic interests and comply with the Conflict of Interest provisions of the Political Reform Act.
8. That Board Member Assistants and Board Member Consultants serve at the pleasure of the Board Member to whom support services are provided and pursuant to the provisions of the contract executed between the Board Member Assistant or Board Member Consultant and the District. The Board Member served may determine whether his/her Board Member Consultant is to be paid on an hourly or a monthly basis. Board Member Assistants must be paid on an hourly basis. Board Member Assistants and Board Member Consultants who are contract SCAQMD employees and who are paid on an hourly basis shall receive overtime pay at the rate of 1.5 times the hourly rate specified in his or her contract for hours worked in excess of ten per day or forty per week provided the Board Member approves in advance in writing the working of any overtime by the Board

Member Assistant or Board Member Consultant. Board Member Consultants paid on a monthly basis will be paid a prorata share of their annual contract amount each month, provided the Board Member approves in writing, which will also cover all expense reimbursements authorized under the contract.

9. That the maximum support service-related expenditure the District may make per Board Member (except the Chair, Vice-Chair, and the CARB representative) is \$37,707 per fiscal year, and as revised by the Governing Board, not including business-related expenses. Effective May 1, 2009, expenses approved in advance that are associated with Board Member-approved attendance at mobile Board meetings and Board retreats will be reimbursed by SCAQMD upon presentation of expense receipts. That the Board's CARB representative shall have, in addition to the fiscal-year maximum applicable to the Board Members, an equivalent amount for assistance with CARB-related matters. ~~That the Board Vice Chair shall have, in addition to the fiscal year maximum applicable to the Board Members, an equivalent amount for assistance with matters related to duties specific to the Board Vice Chair.~~ That the Board Chair's and Vice-Chair's administrative support shall be, at the Chair's and Vice-Chair's option, either: (1) a regular, non-contract District employee at the Executive Secretary level; or (2) a Board Member Assistant, or Board Member Consultant, or combination, at a total fiscal-year cost, not including business-related expenses, at an amount set by the Governing Board. Effective May 1, 2009, expenses approved in advance that are associated with Board Chair-approved attendance at mobile Board meetings and Board retreats will be reimbursed by SCAQMD upon presentation of expense receipts.
  - a. Board Member Assistants and Board Member Consultants will be provided vehicle mileage reimbursement, at the rate set forth in Administrative Code section 110.4, for travel within the geographical boundaries of the District for travel directly related to their duties as a Board Member Assistant or Board Member Consultant.
  - b. A Board Member Assistant or Board Member Consultant to the Board Member(s) serving as the District's CARB representative or as the District's representative to the California Fuel Cell Partnership (CaFCP) will be provided reimbursement for necessary expenses related to attending CARB or CaFCP workshops, hearings, meetings, or related events, subject to advance approval by the Board Chair.
  - c. The Board Chairman may also approve other Board Member Assistant/Consultant travel for District-related activities provided such travel is requested by their supervising Board Member and is reported to the Administrative Committee.
10. That Board Member Assistants and Board Member Consultants who are contract SCAQMD employees and who work on average a minimum of 13 hours per week may elect, from among District-sponsored health, dental, and vision insurance plans available to SCAQMD employees, District-paid single-party coverage up to the dollar amount of the benefits cap approved by the Board for professional employees. Board Member Consultants who are independent contracts are not eligible for any SCAQMD benefits.

11. That Board Member Assistants and Board Member Consultants who are contract SCAQMD employees may elect to participate in the deferred compensation plan SCAQMD sponsors for employees, as covered under section 457 of the Federal Internal Revenue Code.
12. The total compensation provided under a contract between the Board Member Assistant or Board Member Consultant and the District for any Board Member shall not exceed the amounts specified in paragraph 9 above. At such time as the compensation for services reaches said amounts, the contract for services shall be terminated at the employment relationship between the Board Member Assistant or Board Member Consultant and the District shall be terminated.
13. That all present and future assistants to a Board Member (whether Board Member Assistant or Board Member Consultant and whether or not an independent contractor) shall be subject to this policy.